Strengthening the Workforce
Steve Wehn, Vice President Government & Community Relations
May 2017

The Innovator in Healthcare Workforce Solutions and Staffing Services
AMN Healthcare
The Innovator in Healthcare Workforce Solutions and Staffing Services

Founded in 1985 – HQ San Diego
NYSE: AMN – $2B
2,800 Team Members
700+ Recruiters
6,000 Clients Nationwide

Strategy + Staffing + Optimization = AMN

Staffing
• Nurses
• Physicians
• Allied
• Medical Coding

Workforce Solutions
• Managed Services Program
• Recruitment Process Optimization
• Vendor Management Systems

Executive Leadership
• Permanent Leaders
• Interim Leaders

Advisory Services
• Predictive Analytics
• Workforce Optimization
• System Implementations

Key Stats
Diverse Client Base

As the market leader, AMN services healthcare facilities in all 50 states including many blue chip healthcare systems.

“AMN knows the national landscape. They know what’s out there and what the trends are. They bring that valuable information to us so that we can better plan as partners.”

- Chief Nursing Officer, Large Integrated Health System & AMN MSP Client
Healthcare Staffing Market Overview

**U.S. Temporary Healthcare Staffing**

($) in billions

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016P</th>
<th>2017P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$10.2</td>
<td>$10.9</td>
<td>$13.0</td>
<td>$14.6</td>
<td>$15.5</td>
</tr>
</tbody>
</table>

**Demand Drivers**

- Stable or improving economy
- Low unemployment
- Shortage of clinician & physicians
- Increased healthcare utilization
- Adoption of outsourced solutions
- Aging population & medical advances
- New emerging clinical roles

**Other Addressable Markets: Approximately $5 Billion**

(Perm, RPO, Coding, Workforce Consulting, VMS)

Healthcare Job Openings and Hires

50% of healthcare job openings are currently unfilled

Seasonally adjusted, full-year average as of December 31, 2016. Numbers in thousands.
## Growth in Healthcare Employment

### ~4 Million More Healthcare Jobs

Healthcare occupations will add more jobs than any other group of occupations.

- **2014:** 14 million
- **2024:** 18 million

### Fast Growing Healthcare Jobs

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physician Assistants</td>
<td>30%</td>
</tr>
<tr>
<td>Physical Therapists</td>
<td>34%</td>
</tr>
<tr>
<td>Nurse Practitioners</td>
<td>35%</td>
</tr>
<tr>
<td>Registered Nurses</td>
<td>16%</td>
</tr>
<tr>
<td>Physicians</td>
<td>14%</td>
</tr>
</tbody>
</table>

Drivers of Healthcare Employment Growth

**Annual Growth in Healthcare Spend**

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>3.6%</td>
</tr>
<tr>
<td>2015</td>
<td>5.6%</td>
</tr>
<tr>
<td>2016–2023</td>
<td>6.0%</td>
</tr>
</tbody>
</table>

**Aging Population and Healthcare Utilization**

- Over 65 - 3x more hospital days
- Over 75 - 4x more healthcare days

**U.S. population aged 65+ in millions**

- 2010: 40
- 2015: 52
- 2020: 62
- 2025: 72
- 2030: 72

**Aging Healthcare Professionals**

- ~50% of RNs and physicians are age 50+
- 62% of RNs age 54+ plan to retire in next 3 years
- ~38% of active physicians are age 56 & older

**Projected Healthcare Labor Shortage in 2025**

- 94,700 physician shortage
- Regional & specialty nurse shortages

Interstate Medical Licensure Compact – What is it?

- A new “expedited” pathway to state licensure for experienced physicians who have outstanding practice histories.
- An agreement between 18 states and the MD/DO Boards in those states to expedite licensure.
- Physicians can qualify to practice medicine across state lines within the Compact if they meet the agreed upon eligibility requirements.
- The Application process is expedited by leveraging the physicians existing information previously submitted in their state of principal license (SPL).
- Once qualified, the Physician may select any number of Compact states for which they desire to practice.
Nurse Licensure Compact – What is it?

• Launched in 2000, The Nurse Licensure Compact (NLC) expands the mobility of nurses as part of our nation’s health care delivery system.

• NLC allows nurses to have one multistate license, with the ability to practice in both their home state and other compact states.

• Currently, 25 states have enacted the NLC legislation.

• In 2015, an enhanced NLC was developed, which lets nurses provide telehealth nursing services or respond to emergencies in fellow compact states without an additional license.

• South Dakota became the first state to pass the Enhanced NLC in 2016. Nine additional states have followed.

• The enhanced compact will come into effect when 26 states pass it or on December 31, 2018.
Strengthening the Healthcare Workforce – What is Needed?

- Recognition in Congress and the Administration the Healthcare Workforce Shortage
- Full Scope of Practice of Practitioners
- Support Expansion of State Licensure Compacts
- Telehealth Advancements
- Federal Funding for Scholarships & Grants